MEDIA STATEMENT

International Organization of Securities Commissions
Organisation internationale des commissions de valeurs
Organização Internacional das Comissões de Valores
Organización Internacional de Comisiones de Valores

IOSCO/MS/06/2009

Tel Aviv, 11 June 2009

Final Update

34th Annual Conference of the

International Organization of Securities Commissions

IOSCO's areas of immediate focus are outlined below:

IOSCO Multilateral Memorandum of Understanding (MMoU)

Significant progress has been made against the strategic direction target set in 2005 of seeing all member regulators signed on to the IOSCO MMOU before 2010. Adopted in May 2002, the IOSCO MMOU provides for improved enforcement related cooperation and the exchange of information among regulators. IOSCO's Regional Committees, assisted by the General Secretariat, have worked alongside jurisdictions in their regions to encourage the necessary actions to join the IOSCO MMOU.

IOSCO seems very likely to achieve its goal of having every jurisdiction either signed onto the MMOU, or committed to signing it through removing the obstacles in its legislation, to so by 1st January 2010. IOSCO is committed in assisting those remaining members who have yet to apply, to meet this commitment.

There has been quite significant progress in the last 12 months and at present, 55 jurisdictions have implemented the principles contained in our MMOU, and another 27 are committed to do so.

During the 2009 Annual Conference the members from Albania, the Cayman Islands and the West African Monetary Union (WAMU) were admitted to Appendix A of the MMoU, while the members from Armenia, Bahamas, Mongolia, Oman, Tanzania and Uganda were admitted to Appendix B.

Related to these developments is the IOSCO *MOU Assistance Program* which aims to help members throughout their application process. The Program, which is coordinated by the IOSCO General Secretariat, provides experienced specialists to work with members requiring technical assistance in order to help them conform to the necessary international regulatory standards.

A wide range of members have benefitted from this assistance which is still available to those remaining members who may be encountering difficulties in preparing MMOU applications.

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Implementation of IOSCO Objectives and Principles

The IOSCO *Objectives and Principles of Securities Regulation* (IOSCO Principles) were endorsed by the organization in 1998. Their objective is to encourage jurisdictions to improve the quality of their securities regulation. They are the key international benchmark on sound prudential principles and practices for the regulation of securities markets.

As the full implementation of the IOSCO Principles in every member jurisdiction is an important operational priority for the organization, a *Principles Assessment and Implementation Program* was launched in 2005. This Program essentially helps jurisdictions adopt and implement the IOSCO Principles. Since the launch of the Program, numerous members have successfully benefited, with assessment programs having been completed or in the process of being carried out.

The G20 process has intensified the focus on the role of the standards embodied in the IOSCO Principles and the need for their urgent implementation. This increased attention is crucial to support the General Secretariat´s ongoing work to accelerate the implementation of the Principles Assessment Program.

IOSCO has presented proposals to the World Bank and International Monetary Fund on opportunities to strengthen the Financial Sector Assessment Program (FSAP) by coordinating it with the IOSCO Principles Assessment Program to deliver high quality, expert assessments of jurisdictions regulatory systems.

Initiative to Raise Standards of Cross-Border Cooperation

The IOSCO Contact Initiative with under-regulated or uncooperative jurisdictions continues to be a priority focus, and substantial progress has been made with a number of previously uncooperative and unresponsive jurisdictions.

The objective of this work is to assist each of the identified jurisdictions to make genuine improvements in the level of cooperation they are able to offer their international counterparts in relation to information sharing.

A number of these jurisdictions have successfully applied, or are expected to apply, to join the IOSCO MMOU. While some contacts have been constructive there still remain a number of jurisdictions which require further attention. Overall progress has been demonstrable and efforts will now include those jurisdictions with whom there has been little or no contact to date.

Executive Committee Task Force on IOSCO's Strategic Direction

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IOSCO has set up the Executive Committee Task Force to review the Organisation's role and key functions. The Task Force is comprised of the chairmen and vice-chairmen of the Executive, Emerging Markets and Technical Committees. It will identify and recommend any structural or operational adjustments it believes would help IOSCO better fulfil those functions. The overarching aim is to position IOSCO to continue to provide the lead in the development of regulatory standards for capital markets in this century, taking account of lessons learned from the global financial crisis and looking towards a more secure future.

IASCF Monitoring Board

IOSCO members were given an update on the International Accounting Standards Committee Foundation (IASCF) Monitoring Board's inaugural meeting on 1 April 2009 and its work program. IOSCO expressed its support for the Monitoring Board in its role to monitor and reinforce the public interest oversight function of the IASCF work.

Technical Task Force on Supervisory Cooperation

Recognizing the increasing need and reliance on supervisory cooperation in effectively regulating and overseeing global operations of our markets and market participants, the Technical Committee agreed to establish a task force to consider the manner in which regulators cooperate in the supervision and oversight of market participants whose operations cross borders. To be chaired by Kathleen Casey of the US SEC and Jean-Pierre Jouyet of the French AMF, this task force will aim to develop and articulate principles of supervisory cooperation by the winter of 2010.

New IOSCO Work Mandates

Technical Committee
During the course of its meeting on 9 June the Technical Committee approved a number of new mandates and Task Forces:

Task Force on Supervisory Cooperation

- To form a task force to develop principles for supervisory cooperation in an effort similar to that undertaken in the 1990s to develop principles for enforcement cooperation

Standing Committee on Regulation of Market Intermediaries

- Mandate on protection of client assets held by insolvent securities intermediaries; and
- Mandate on suitability standards in connection with complex financial products.

Emerging Markets Committee

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During the course of its meeting on Monday 9 June 2009 initiated further crisis related work with the launch of four new task forces on the following issues:

- Circuit Breakers and Market Halts;
- Securitization, in cooperation with the International Monetary Fund;
- OTC Markets and Derivatives Trading; and
- Capacity Building in Risk-Based Supervision.

The SRO Consultative Committee

The SROCC discussed the ongoing roles and work of SROs in dealing with the crisis and how they complement the work of government regulators. It exchanged information on the measures taken or planned by the SROs in the current market environment and also evaluated the success of its recent training programs for SRO officials and emerging market regulators – the first of which was held in December 2008 in Washington D.C. It has agreed to hold the next event in early 2010. The SROCC remains committed to working closely with the relevant IOSCO bodies and government regulators in meeting the G-20 recommendations.

Publications

IOSCO welcomes release of clarified International Standards on Auditing
IOSCO has published a statement welcoming the release of the clarified International Standards on Auditing (ISAs) and noting the role to be played by a set of international auditing standards in contributing to global financial reporting and supporting investor confidence and decision making. IOSCO encourages securities regulators to accept audits performed and reported in accordance with the clarified ISAs for cross-border offerings and listings, recognizing that the decision whether to do so will depend on a number of factors and circumstances in their jurisdiction. Further, IOSCO notes the potential role of the clarified ISAs for purely domestic offerings and listings and thus encourages securities regulators and relevant authorities to consider the clarified ISAs when setting auditing standards for national purposes, recognizing that factors at the national and regional level will be relevant to their considerations.

Reports approved for publication

During the course of their meetings both the Technical and Emerging Markets Committees finalized reports to be published in the next few weeks.

Technical Committee:

Final Reports:

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- Regulation of Short Selling;
- Hedge Funds Oversight;
- Principles on Outsourcing for Markets;
- Good Practices in relation to Investment Managers' Due Diligence when investing in Structured Finance Instrument; and
- Protection of Minority Shareholders in Listed Issuers.

Consultation Reports:

- Principles for Periodic Disclosure by Listed Entities;
- Disclosure Principles for Public Offerings and Listings of Asset-Backed Securities;
- Auditors Communication; and
- Transparency of Firms that Audit Public Companies.

Emerging Markets Committee

- Impact on and Responses of Emerging Markets to the financial crisis
- Survey on Development & Distribution of Foreign Collective Investment Schemes (CIS) Funds in Emerging Markets

The Work of IOSCO's Committees and Task Forces

IOSCO's Annual Report contains an updated report on the work of IOSCO's committees and taskforces which was published on 11 June 2009.

Appointment of New Standing Committee Chairs

New chairs were appointed to the Technical Committee Standing Committees on Investment Management and the new Standing Committee on Credit Rating Agencies. These will be headed by Patrice Berge of the AMF of France and Daniel Gallagher of the United States SEC.

IOSCO Regional Committee Elections

Two elections took place during the Conference:

Africa-Middle East Regional Committee (AMERC)
Ms. Daisy Ekineh Sunjuba, Executive Commissioner Operations of the Securities and Exchange Commission of Nigeria was elected as Chairman of the IOSCO Africa & Middle East Regional Committee to complete the term of • Mr. Musa Al-Faki, former Director General of the Securities and Exchange Commission of Nigeria

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Asia-Pacific Regional Committee (APRC)
Mr. C B. Bhave, Chairman of the Securities and Exchange Board of India, was elected as Chairman of the IOSCO Asia Pacific Regional Committee to replace Mr. Kim Dong-Yuk of the Financial Supervisory Commission / Financial Supervisory Service of Korea.

Admission of New Members

IOSCO is pleased to welcome the following organizations as new members:

Cayman Islands Monetary Authority (Ordinary Member)
Canadian Investor Protection Fund (Affiliate Member);
European Commission (Affiliate Member);
Financial Services Compensation Scheme of the United Kingdom (Affiliate Member); and
Securities Investor Protection Corporation of the United States (Affiliate Member)

Future Conferences

IOSCO will hold its next Annual Conference in Montreal, Canada from 6-10 June 2010.

The 2011 Annual Conference will be held in Cape Town, South Africa.

The Executive Committee has chosen Beijing, People's Republic of China as the venue for the 2012 Annual Conference.

The next meetings of IOSCO's Technical and Executive Committees will take place in Basel from 5-9 October 2009. These meetings will be held in conjunction with the 5th IOSCO Technical Committee Conference.

The IOSCO Emerging Markets Committee will meet in Bucharest from 4-6 November 2009.

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